



Careers in Insurance

*A publication of the
Kentucky
Department of Insurance*



Agent or broker

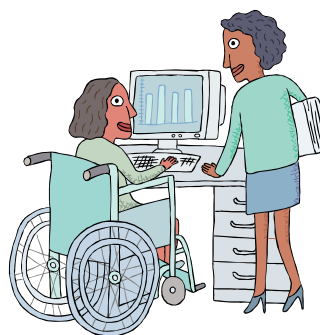


The job — Insurance sales agents and brokers help individuals, families, and businesses select insurance policies that provide the best protection for their lives, health, and property. Insurance sales agents may work exclusively for one insurance company or as “independent agents” selling for several companies. Insurance brokers represent several companies and place insurance policies for their clients with the company that offers the best rate and coverage. In either case, agents and brokers prepare reports, maintain records, seek out new clients, and, in the event of a loss, help policyholders settle insurance

claims. Increasingly, some may also offer their clients financial analysis or advice on ways they can minimize risk. Most insurance agents and brokers are based in small offices. However, most of their time may be spent outside their offices, traveling locally to meet with clients, close sales, or investigate claims. Agents usually determine their own hours of work and often schedule evening and weekend appointments for the convenience of clients. Although most agents and brokers work a 40-hour week, some work 60 hours a week or longer. Since these are sales jobs, opportunities are strictly in the private sector and there are no “mirror” positions with the state Department of Insurance.

Educational requirements — For insurance agency jobs, most companies and independent agencies prefer to hire college graduates—particularly those who have majored in business or economics. A few hire high school graduates with proven sales ability or who have been successful in other types of work. Agents and brokers doing business in Kentucky must be licensed by the state Department of Insurance and meet continuing education requirements set by the state.

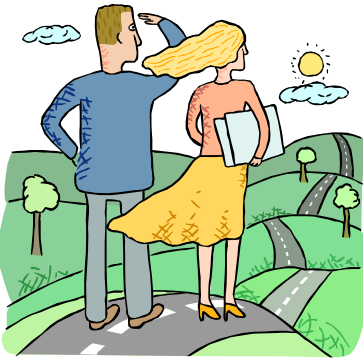
Administrative support person



The job — Administrative support workers such as secretaries, typists, word processors, bookkeepers, and clerks are needed in every field, including insurance. An example of an insurance job in this category is a policy processing clerk or customer service representative. They review applications for completeness, compile data on policy changes, and verify the accuracy of insurance company records.

Educational requirements — Most entry-level positions require at least a high school diploma and basic office skills. Continual training, in the classroom or on-the-job, is necessary for professional development and to keep current with new software applications. In addition, an insurance worker needs specialized skills and knowledge unique to the industry.

Actuary



The job — Actuaries assemble and analyze data to estimate probabilities of death, sickness, injury, disability, retirement income level, property loss, or return on investment. They use this information to estimate how much an insurance company will have to pay out in claims, or to make other business decisions. Actuaries have desk jobs and usually work at least 40 hours a week. Some actuaries, particularly consulting actuaries, travel to meet with clients and work more than 40 hours. The trend is for companies to contract with an outside consulting actuary rather than hire an actuary as a permanent employee.

Educational requirements — A good educational background for a beginning job in a large life or casualty company is a bachelor's degree

in mathematics, actuarial science, or statistics, or a business-related discipline, such as economics, finance, or accounting. It is an advantage to pass, while still in school, two or more of the examinations offered by professional actuarial societies. Those who do have better opportunities for employment and higher starting salaries. Actuaries are encouraged to complete the entire series of examinations as soon as possible, advancing first to the Associate level, and then to the Fellowship level. Completion of the entire examination process generally takes from five to 10 years. An actuary who works for the state Department of Insurance must have a bachelor's degree plus five years' experience. Fellowship in the Society of Actuaries or Casualty Actuarial Society may substitute for the required experience.

The job — Most underwriters work for insurance companies. They identify and calculate the risk of loss from policyholders, establish appropriate premium rates, and write policies that cover these risks. An insurance company may lose business to competitors if the underwriter appraises risks too conservatively, or it may have to pay more claims if the underwriting actions are too liberal. Most underwriters are based in the insurance company's home office, but some work out of branch offices. Insurance underwriters who work for the state Department of Insurance are employed by the State Risk and Insurance Services Division, the agency that provides or procures insurance to cover state property and casualty risk exposures. A historical note: The term "underwriter" comes from the early days of insurance when an individual willing to assume a risk would actually "underwrite" or sign his name under the proposal.

Educational requirements — For entry level underwriting jobs in the private sector, most large insurance companies prefer college graduates who have a degree in business administration or finance with courses or experience in accounting. However, a bachelor's degree in almost any field—plus courses in business law and accounting—provides a good general background and may be sufficient to qualify. Computer knowledge is essential. New employees usually start as underwriter trainees or

assistant underwriters. Continuing education is necessary for advancement.

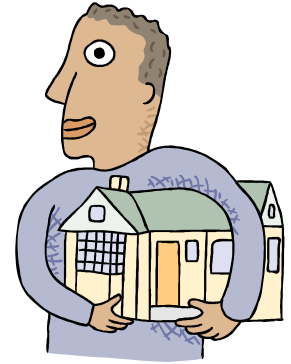
Experienced underwriters who complete courses of study may advance to senior underwriter or underwriting manager positions. The minimum requirements for the state position of insurance underwriter is two years of college and two years' experience.



Underwriter

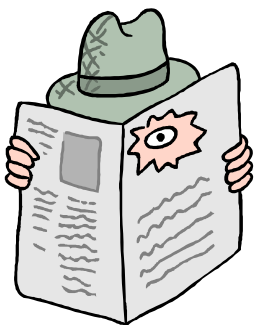
Claims adjuster/examiner

The job -- Claims adjusters and examiners work for insurance companies. They decide whether claims are covered by the customer's policy, confirm payment, and, when necessary, investigate the circumstances surrounding a claim. Claims *adjusters* work for property and liability insurance carriers or for independent adjusting firms. They interview the claimant and witnesses, review police and hospital records, and inspect property damage. Claims *examiners* work for life and health insurance carriers and investigate questionable claims or those exceeding a designated amount. Examiners check claim applications for completeness and accuracy, interview medical specialists, and consult policy files to verify information on a claim. Some in this occupation work a typical 40-hour week in an office. However, adjusters work outside the office, inspecting damaged buildings and automobiles. Occasionally, experienced adjusters are away from home for days when they travel to the scene of a disaster—such as a tornado, hurricane, or flood—to work with local adjusters and government officials. (See *Fraud investigator* for more information on this field.)



Educational requirements -- Most companies prefer to hire college graduates. No specific college major is recommended for these occupations. An adjuster who has a business or an accounting background might specialize in claims of financial loss due to strikes, breakdowns in equipment, or damage to merchandise. College training in engineering is helpful in adjusting industrial claims, such as damage from fires and other accidents. A legal background is helpful in handling workers' compensation and product liability cases. Entry-level workers may be hired without a college degree if they have specialized experience. For example, people with knowledge of automobile mechanics or body repair may qualify as material damage adjusters. Knowledge of computer applications is extremely important for all claim representatives. Beginning adjusters and examiners work on small claims under the supervision of an experienced worker. Trainees are promoted as they demonstrate competence in handling assignments and as they progress in required coursework.

Fraud investigator



The job — Insurance fraud, simply put, is lying to an insurance company to get money. Many insurance companies have special investigation units that look into cases where fraud is suspected. Within state government, the Insurance Fraud Investigation Division is the Department of Insurance's law enforcement agency. The state division is empowered to conduct criminal investigations of suspected fraudulent insurance acts. Investigations of suspicious activity may require irregular work hours and travel. In addition, there may be substantial contact with the public.

Educational requirements — In the private sector, applicants are often required to have a bachelor's degree and previous experience in insurance and investigations. Applicants for a state position as a Insurance Fraud Investigator I must have a bachelor's degree. However, the following work experience will substitute for the required education on a year-for-year basis: experience in investigative law enforcement; experience in the insurance industry in financial analysis, claims processing, or management; experience dealing with substantive insurance issues with an insurance regulatory agency or a related agency; or experience as an insurance licensee. ~~Criminal investigators are required to be certified law enforcement officers within one year of hire.~~

Analyst or examiner



The job — There are several positions with state government that involve review and analysis of insurance company records and practices. An insurance analyst reviews insurance company policy forms and/or rate filings for compliance with state insurance laws and regulations; an insurance financial analyst reviews financial reports; and market conduct examiners monitor business practices of insurers to ensure compliance with state law.

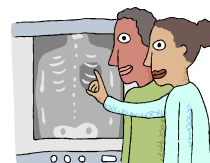
Educational requirements — Beginning positions require at least a bachelor's degree. An analyst must have a degree in business administration, accounting, mathematics, statistics, insurance or a related field. Financial analysts must have a degree that includes at least 20 semester hours of accounting.

Specialty professional



The job -- A specialty professional adapts his or her skills from another field to the insurance profession. Examples are attorneys, health care workers, advertising and public relations specialists, and computer systems analysts.

Educational requirements -- Most specialty occupations require college degrees and/or other postsecondary education.



Scholarships & Internships

Commonwealth of Kentucky -- State government has a Co-op/Intern Educational Placement Program for students enrolled full-time at an accredited Kentucky secondary school in at least their junior year or in post-secondary school or other educational institutions as approved by the Personnel Cabinet. For more information, contact the Personnel's Co-op/Intern Coordinator at (502) 564-7430, Ext. 2218, or go online at <http://www.state.ky.us/agencies/personnel/coop.htm>

The Insurance Studies Program at Eastern Kentucky University — EKU has the only program offering an undergraduate degree in insurance in Kentucky. The regional insurance industry supports the program with scholarship funds each semester. To be eligible, students must have completed at least a semester of their college studies. For more information, contact Insurance Studies Program, Coates Box 25A -108 Miller Hall, 521 Lancaster Ave., Richmond, KY 40475. Phone: 859-622-1579.

The National Association of Professional Surplus Lines Offices -- NAPSLO sponsors eight paid summer internships with host members for college juniors and seniors. In addition, six \$2,000 scholarships are available through the Derek Hughes/NAPSLO Educational Foundation. For more information, visit the NAPSLO website <http://www.napslo.org/> and click on *Foundation* and *Internships*. Or write NAPSLO, 6405 North Cosby, Suite 201, Kansas City, MO 64151; phone (816) 741-3910.



How to apply for a job with the Commonwealth of Kentucky

Most jobs in this publication are found both in the private sector and state government. If you are interested in a **state** job, there is a process you have to go through. Applying for a state merit (civil service) job can be a complicated procedure, especially for a person who is new to state government. However, counselors at the Kentucky Personnel Cabinet can help walk you through the process.

Basically there are four steps:

1. Identify a job classification that matches your skills and interests.
2. Fill out a state job application.
3. Submit the application to the Personnel Cabinet and talk to a counselor about how to "get on the register" for a job classification. (The register is a list of job candidates that is sent to an agency that is filling a vacancy in that class. You can be on the register for up to 15 classifications.)
4. Increase your chances of being called for an interview by letting the agency that's hiring know you're interested in the job. Send the agency a resume and a cover letter and follow up with a phone call.

For more detailed information, contact the Personnel Cabinet, Division of Staffing Services, 200 Fair Oaks Lane, Room 517, Frankfort KY 40601, (502) 564-8030 and press 0 for the operator. If you are a person with a hearing impairment, please call TDD (502) 564-4306. Another source of information is the state Personnel Cabinet home page <http://www.state.ky.us/agencies/personnel/pershome.htm> The site has a list of frequently asked questions (under *Employment Information*) and a list of job classification titles including requirements and vacancy lists by county and by job title (under *State Job Opportunities*). You can print out an application form from this site.

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Kentucky Department of Insurance

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